



October 13, 2015

**Comments of Brandon Arnold  
Executive Vice President, National Taxpayers Union**

**To the Federal Communications Commission  
On the Proposed Merger between Charter Communications and Time Warner Cable**

Chairman Tom Wheeler  
Commissioner Mignon Clyburn  
Commissioner Jessica Rosenworcel  
Commissioner Ajit Pai  
Commissioner Michael O'Rielly  
Federal Communications Commission  
445 12th St., SW  
Washington, DC 20554

Re: MB Docket Number 15-149

Dear Chairman and Commissioners:

On behalf of the members of National Taxpayers Union (NTU), I write to express our views regarding the proposed merger of Charter Communications and Time Warner Cable Inc. (TWC). NTU is the nation's oldest taxpayer advocate organization. We are a nonprofit, nonpartisan citizen group that works for lower taxes, limited government, and free enterprise.

For two decades NTU has reached out to Members of the Commission on a number of telecommunications issues affecting taxpayer rights and consumer freedom of choice – two principles that our organization's members have sought to protect and expand. For example, NTU has long championed a streamlined competitive auction process for spectrum and was a founding member of the Coalition for Fair Spectrum Auctions. NTU has also submitted comments to the FCC on behalf of taxpayers during consideration of prior merger applications by XM and Sirius, NBC and Comcast, Comcast and TWC, and AT&T and T-Mobile.

In the case of this proposed merger, NTU believes it is important to carefully evaluate the potential impact it could have on consumers and to ensure that competitive market forces are not hindered in any substantial manner. Under the terms of the transaction, Charter would merge with TWC as well as a smaller cable provider, Bright House Networks, to form New Charter. The new company would serve 23.9 million consumers.

It is important to note that none of these consumers will experience a reduction in the number of available multichannel video programming distributors (MVPDs) or broadband Internet providers as a result of the merger. Currently, most consumers have only one option for cable services, yet can choose from a number of MVPD options that offer services via satellite or fiber. Additionally, there has been a recent surge in the amount of television content provided via the Internet, which has helped to further foster a competitive and dynamic MVPD marketplace. For all of these reasons, NTU does not believe this proposed merger would have an adverse effect on cable television consumers in any way.

As for broadband Internet offerings, the marketplace is less robust, yet continuing to improve. Many consumers are now afforded multiple broadband services from which to choose, such as cable, digital subscriber line, wireless, and fiber offerings. NTU hopes the competitive marketplace for broadband Internet services will continue to evolve and provide additional consumer choice. However, we do not envision this merger having any negative impact on this process.

In prior merger proposals involving this sector, the FCC has heard concerns from various entities about possible detrimental consequences on upstream businesses that could result from MVPD consolidations. Some have argued that if an MVPD is too large, it would have excessive bargaining power and leverage that could disadvantage other businesses and ultimately harm consumers. However, in this case, New Charter customers would comprise just over 17 percent of the MVPD marketplace, which would make it only the third-largest provider. This level of consolidation should raise no misgivings to regulators of an unlevel playing field.

In the past, NTU has expressed serious concerns about repeated and numerous attempts by government agencies to impose “backdoor regulations” as a precondition for approval of mergers. This is too often a means by which regulators force companies to adopt policies that can harm taxpayers or extract unrelated concessions or expenditures. Such agreements are troubling for several reasons: they often exceed the regulatory authority granted to FCC by Congress, they occur without the open rulemaking process that permits public comment, and they constitute an inappropriate use of government power. We once again urge the FCC to not pursue such policies. Instead, the Commission should confine its review to areas where the public interest is evident and avoid using this important process to advance unrelated goals or ideals.

In addition to reviewing this merger to ensure consumers are not disadvantaged, we should also consider the opportunities for significant positive developments. As part of the transaction, Charter has announced it will implement several pro-consumer policies that are worthy of note. For instance, New Charter will spend \$2.5 billion over the next four years to build out its networks, create over 300,000 Wi-Fi access points for its customers, and expand programs that help lower-income Americans gain access to broadband Internet services. Such changes should provide improved service quality, wider access, and higher customer satisfaction.

Based on our evaluation, NTU believes that the proposed merger of Charter and TWC has the potential to offer significant benefits for consumers, the economy, and the nation's telecommunications infrastructure. At the same time, we do not believe it would hinder competition in the marketplace or have a detrimental effect on taxpayers. Accordingly, NTU encourages the FCC to approve of this transaction in a timely manner.

Thank you for your consideration of and attention to our remarks.

Sincerely,

A handwritten signature in black ink, appearing to read "Brandon Arnold". The signature is fluid and cursive, with the first name "Brandon" being more prominent than the last name "Arnold".

Brandon Arnold  
Executive Vice President